



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Adopt resolution authorizing the City Manager to provide a Public Benefits Program Grant in the amount of \$24,000 to fund the Lodi Refrigerator/Freezer Environmental Recycling Project, and to execute a contract with JACO Environmental Incorporated to manage the project (EUD)

MEETING DATE: July 3, 2002

PREPARED BY: Electric Utility Director


RECOMMENDED ACTION: That the City Council adopt resolution authorizing the City Manager to provide a Public Benefits Program Grant in the amount of \$24,000 to fund the Lodi Refrigerator/Freezer Environmental Recycling Project, and allow the City Manager to execute a contract with west coast-based (Hayward, CA, Portland, OR, Seattle, WA) JACO Environmental Incorporated to coordinate and manage the project.

BACKGROUND INFORMATION: The City of Lodi Electric Utility offered the *Lodi Refrigerator/Freezer Environmental Recycling Project* in April of this year to residential/small commercial electric utility customers. The first effort was extremely successful, with 406 used, inefficient refrigerators and/or freezers being recycled here in our community. As a result of this successful effort, and a grant in the amount of \$51,000 from the California Energy Commission, the City of Lodi Electric Utility is proposing to offer this program again this summer. The project is designed as follows:

- the recycling program will begin July 15, 2002, and be offered to Lodi residential and/or commercial customers until funds are exhausted;
- customers must receive their electric utility service from the City of Lodi;
- customers will receive a rebate in the amount of \$50 for each *working* refrigerator or freezer- *maximum rebate will be \$100 per customer service address*; the City of Lodi will accept non-working refrigerators or freezers (up to two per customer service address), however, no rebate will be provided to the customer; and
- the City of Lodi Electric Utility will contract with JACO Environmental, Incorporated for all customer contact, refrigerator/freezer pick-up, and appropriate disposal.

Note: The City of Lodi Electric Utility utilized JACO Environmental, Incorporated during the first refrigerator/freezer recycling effort in April of this year. For this aforementioned reason, the Lodi Electric Utility Department respectfully requests that the City Council dispense with going out to bid pursuant to Lodi Municipal Code 3.20.070. The \$51,000 grant from the California Energy Commission is a result of funds allocated through Senate Bill 5X to both public and private electric utility providers throughout the state for demand-side management projects.

APPROVED: _____


H. Dixon Flynn - City Manager



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JACO Environmental will utilize one company-owned and operated truck for the pick-up of refrigerators and/or freezers for the Lodi project. All used appliances will be taken to a JACO warehouse outside the Lodi community, where the appropriate dismantling of the appliance for recycling purposes is achieved.

The City of Lodi Electric Utility has three main goals for this project:

- 1) promote and encourage proper recycling of aging refrigerators and freezers;
- 2) further protect our environment by ensuring that old refrigerators and freezers are not dumped in alley ways, parking lots, vacant lots, or surrounding agricultural property; and
- 3) promote energy conservation for local residents and business owners by assisting in the removal of aging and energy *inefficient* appliances.

The total project budget will be \$75,000 (\$51,000 from the California Energy Commission, and the proposed \$24,000 from the City of Lodi Public Benefits Program Fund), and staff anticipates that over 400 used appliances will be recycled in this next phase of the program. The City of Lodi Electric Utility respectfully recommends approval of the Lodi Refrigerator/Freezer Environmental Recycling Project as an approved element of the City of Lodi Public Benefits Program.

FUNDING: 164605 – Public Benefits Fund (Category: Demand-side Management)

Funding Approval:

Vicky McAthie
Vicky McAthie, Finance Director

A handwritten signature in black ink, appearing to read "Alan N. Vallow".

Alan N. Vallow
Electric Utility Director

PREPARED BY: Rob Lechner, Manager of Customer Programs

ANV/RL/lt

C: City Attorney

APPROVED: _____

H. Dixon Flynn - City Manager

RESOLUTION NO. 2002-150

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING
THE CITY MANAGER TO PROVIDE A PUBLIC BENEFITS
PROGRAM GRANT TO FUND THE LODI REFRIGERATOR/
FREEZER ENVIRONMENTAL RECYCLING PROJECT, AND
FURTHER AUTHORIZING THE CITY MANAGER TO EXECUTE
A CONTRACT WITH JACO ENVIRONMENTAL INC.
TO MANAGE THE PROJECT

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WHEREAS, the state has mandated that beginning January 1, 1998, the City of Lodi is obligated to fund various programs through a Public Benefits Charge (PBC) based on a historical electric revenue requirement; and

WHEREAS, the requirement amounts to approximately \$1M per year that must be dedicated to qualifying programs such as energy efficiency. A further stipulation is that these efforts must be done on the customer's side of the meter in order to qualify; and

WHEREAS, on March 6, 2002 the Lodi City Council approved funding for a new residential/small commercial electric utility customer program called the Lodi Refrigerator/Freezer Environmental Recycling Project; and

WHEREAS, the Electric Utility Department respectfully requests that the City Manager be authorized to provide a Public Benefits Grant in the amount of \$24,000.00 to fund this program. The project is designed as follows:

- the recycling program will begin July 15, 2002, and be offered to Lodi residential and/or commercial customers until funds are exhausted;
- customers must receive their electric utility service from the City of Lodi;
- customers will receive a rebate in the amount of \$50 for each *working* refrigerator or freezer- *maximum rebate will be \$100 per customer service address*; the City of Lodi will accept non-working refrigerators or freezers (up to two per customer service address), however, no rebate will be provided to the customer; and
- the City of Lodi Electric Utility will contract with JACO Environmental, Inc. for all customer contact, refrigerator/freezer pick-up, and appropriate disposal.

WHEREAS, JACO Environmental will utilize one to two company owned and operated semi-trucks/trailers for the pick-up of refrigerators and/or freezers for the Lodi project. All used appliances will be taken to a JACO warehouse outside the Lodi community, where the appropriate dismantling of the appliance for recycling purposes is achieved.

WHEREAS, the City of Lodi Electric Utility has three main goals for this project:

- 1) promote and encourage proper recycling of aging refrigerators and freezers;

- 2) further protect our environment by ensuring that old refrigerators and freezers are not dumped in alley ways, parking lots, vacant lots, or surrounding agricultural property; and
- 3) promote energy conservation for local residents and business owners by assisting in the removal of aging and energy inefficient appliances.

WHEREAS, the City of Lodi Electric Utility recommends approval of funding for the Lodi Refrigerator/Freezer Environmental Recycling Project as an approved element of the City of Lodi Public Benefits Program in an amount not to exceed \$24,000.00.

NOW, THEREFORE, BE IT RESOLVED, that the Lodi City Council hereby authorizes the City Manager to provide a Public Benefits Program grant in the amount not to exceed \$24,000.00 to fund the Lodi Refrigerator/Freezer Environmental Recycling Project; and

BE IT FURTHER RESOLVED, that the City Manager is hereby authorized to execute a contract with JACO Environmental Incorporated to manage the project.

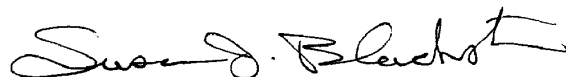
BE IT FURTHER RESOLVED, that this program will begin on July 15, 2002 and shall be offered until funds are exhausted.

Dated: July 3, 2002

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I hereby certify that Resolution No. 2002-150 was passed and adopted by the Lodi City Council in an adjourned regular meeting held July 3, 2002 by the following vote:

AYES:	COUNCIL MEMBERS – Hitchcock, Land, Nakanishi, and Mayor Pennino
NOES:	COUNCIL MEMBERS – None
ABSENT:	COUNCIL MEMBERS – Howard
ABSTAIN:	COUNCIL MEMBERS – None



SUSAN J. BLACKSTON
City Clerk